



**BILLING CODE: 3410-XY-U**

**DEPARTMENT OF AGRICULTURE**

Rural Business-Cooperative Service

Notice of Solicitation of Applications for the Biorefinery,  
Renewable Chemical, and Biobased Product Manufacturing  
Assistance Program

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Notice.

**SUMMARY:** This Notice announces the solicitation of applications for funds available under the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (the Program) to provide guaranteed loans to fund the development, construction, and Retrofitting of commercial scale biorefineries using Eligible technology and of Biobased product manufacturing facilities that use technologically new commercial scale processing and manufacturing equipment to convert Renewable chemicals and other biobased outputs of biorefineries into end-user products, on a commercial scale.

**DATES:** With this Notice, the Agency is announcing two separate application cycles, as is provided which are established in accordance with 7 CFR 4279.260(b), with application closing dates of 4:30 p.m. Eastern Daylight Time, October 3, 2016, and 4:30 p.m. Eastern Daylight Time, April 3, 2017.

Applications must be received in the USDA Rural Business-Cooperative Service, Energy Division no later than 4:30 p.m. Eastern Daylight Time of the application closing date to compete for program funds. Any application received after 4:30 p.m. Eastern Daylight Time of the application closing date will be considered for the subsequent application cycle, provided that funding is available.

**ADDRESSES:** Applications and forms may be obtained from:

- USDA, Rural Business-Cooperative Service, Energy Division, Attention: Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program, 1400 Independence Avenue, SW, STOP 3225, Washington, DC 20250-3225.

- Agency Web site:  
<http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

Follow the instructions for obtaining the application and forms. Application materials can also be obtained from the Agency's Web site. <http://www.rd.usda.gov/programs-services/biorefinery-assistance-program>.

**FOR FURTHER INFORMATION CONTACT:** Todd Hubbell, Rural Business-Cooperative Service, Energy Division, Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program, USDA, 1400 Independence Avenue, SW, Mail Stop 3225, Washington, DC 20250-3225. Telephone: 202-690-2516. Email: [Todd.Hubbell@wdc.usda.gov](mailto:Todd.Hubbell@wdc.usda.gov).

**SUPPLEMENTARY INFORMATION:**

**Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995, the information collection requirements associated with the Program, as covered in this Notice, have been approved by the Office of Management Budget (OMB) under OMB Control Number 0570-0065.

**Overview**

Federal Agency Name: Rural Business-Cooperative Service (an Agency of USDA in the Rural Development mission area).

Solicitation Opportunity Title: Biorefinery,  
Renewable Chemical, and Biobased Product Manufacturing  
Assistance Program.

Announcement Type: Notice of Solicitation of  
Applications.

Catalog of Federal Domestic Assistance (CFDA) Number:  
The CFDA number for this Notice is 10.865.

Dates: Applications must be received in the USDA  
Rural Business-Cooperative Service, Energy Division no  
later than the application closing dates of 4:30 p.m.  
Eastern Daylight Time, October 3, 2016, and 4:30 p.m.  
Eastern Daylight Time, April 3, 2017. Any application  
received after 4:30 p.m. Eastern Daylight Time of the  
application closing date will be considered for the  
subsequent application cycle, provided that funding is  
available.

Availability of Notice and Rule: This Notice and the  
interim rule for the Program are available on the USDA  
Rural Development Web site at:  
[http://www.rd.usda.gov/programs-services/biorefinery-](http://www.rd.usda.gov/programs-services/biorefinery-assistance-program)  
[assistance-program](http://www.rd.usda.gov/programs-services/biorefinery-assistance-program) and at <http://www.rd.usda.gov/newsroom>.

## **I. Funding Opportunity Description**

A. Purpose of the Program. The purpose of the

Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Program is to assist in the development of new and emerging technologies for the development of Advanced biofuels, Renewable chemicals, and Biobased product manufacturing. This is achieved through guarantees for loans made to fund the development, construction, and Retrofitting of Commercial scale Biorefineries using Eligible technology and of Biobased product manufacturing facilities that use technologically new commercial scale processing and manufacturing equipment and required facilities to convert Renewable chemicals and other biobased outputs of biorefineries into end-user products on a commercial scale.

B. Statutory Authority. This Program is authorized under 7 U.S.C. 8103. Regulations are contained in 7 CFR part 4279, subpart C and in 7 CFR part 4287, subpart D.

C. Definition of Terms. The definitions applicable to this Notice are published at 7 CFR 4279.202 and 7 CFR 4287.302.

C. Application awards. The Agency will review, evaluate, score, and award applications received in response to this Notice based on the provisions found in 7 CFR part 4279, subpart C and as indicated in this Notice.

## **II. Award Information**

A. Available funds. This Notice is a solicitation for applications that will be funded using budget authority provided by the Agricultural Act of 2014 (2014 Farm Bill). The 2014 Farm Bill authorized mandatory funding in each of fiscal years 2014, 2015 and 2016. Of the funds available, the 2014 Farm Bill provided for up to 15 percent of the mandatory funds for only fiscal years 2014 and 2015 to promote Biobased product manufacturing.

B. Type of Award. Guaranteed loan.

C. Approximate Number of Awards. Subject to the amount of funding available.

D. Guarantee Loan Funding. The provisions of 7 CFR 4279.232 apply to this Notice. The Borrower needs to provide the remaining funds from other non-Federal sources to complete the Project.

E. Guarantee and Annual Renewal Fees. The guarantee and Annual Renewal Fees specified in 7 CFR 4279.231 are applicable to this Notice.

F. Anticipated Award Date. The award date will vary based on timing of completion of each Project's individual application process.

## **III. Eligibility Information**

A. Eligible Lenders. To be eligible for this Program, Lenders must meet the eligibility requirements in 7 CFR 4279.208.

B. Eligible Borrowers. To be eligible for this Program, Borrowers must meet the eligibility requirements in 7 CFR 4279.209.

C. Eligible Projects. To be eligible for this Program, projects must meet the eligibility requirements in 7 CFR 4279.210.

D. Application Completeness. Incomplete Phase 1 applications will be rejected and the Project will be given no further consideration. Lenders will be informed of the element(s) that made the application incomplete. If the Lender makes the required edits and resubmits the application to the USDA's Rural Business-Cooperative Service, Energy Division by 4:30 p.m. Eastern Daylight Time, on the application closing date, the Agency will reconsider the application.

#### **IV. Application Submission Information**

A. Letter of Intent. For each guarantee request, the Lender or the Borrower must submit to the Agency a non-binding letter of intent to apply for a loan guarantee, not less than 30 calendar days prior to the application

deadline. The letter of intent due date is September 6, 2016 for the October 3, 2016 application cycle and March 6, 2017 for the April 3, 2017 cycle. The letter must identify the Borrower, the Lender and any Project sponsors; describe the Project and Project location; describe the proposed feedstock, primary technologies of the facility, and primary products produced; estimate the Total Project Cost and amount of loan requested; and identify the application cycle due date. The Agency reserves the right to request additional information from potential applicants. Applications that do not submit a letter of intent by 30 days prior to the application closing date will not be accepted by the Agency in that particular application cycle.

B. Application Submittal. For each guarantee request, the Lender must submit to the Agency an application that is in conformance with 7 CFR 4279.261. The content and methods of application submittal are specified below. Additionally, the Agency has developed an Application Guide that explains the application procedures and details the process for submission of an application. This guide is located at [http://www.rd.usda.gov/files/RBS\\_Section9003Biorefinery\\_ApplicationGuide.pdf](http://www.rd.usda.gov/files/RBS_Section9003Biorefinery_ApplicationGuide.pdf)



C. Content and Form of Submission. All applicants must submit one paper copy of the application materials and an electronic copy containing the same information that is included in the paper copy. Detailed instructions regarding application submission are explained in the Application Guide that the Agency has developed. The Application Guide is available online on the "Forms and Resources" page at <http://www.rd.usda.gov/programs-services/biorefinery-assistance-program> or by contacting Todd Hubbell, Telephone: 202-690-2516. Email: Todd.Hubbell@wdc.usda.gov. Application materials should be submitted to USDA Rural Business-Cooperative Service, Energy Division, Attention: Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program, 1400 Independence Avenue, SW, STOP 3225, Washington, DC 20250-3225.

The Agency's application process is divided into two phases. Phase 1 applications will provide information needed to determine Lender, Borrower, and Project eligibility; preliminary economic and technical feasibility; and the priority score of the application. Based on the priority score ranking, the Agency will invite applicants whose Phase 1 applications receive higher priority scores to submit Phase 2 applications. Phase 2

application materials will be submitted as the Project planning and engineering are finalized and will include information such as: environmental compliance information, technical report, financial model, and the Lender's credit evaluation. Phase 1 applications must contain the information required in the Agency's Application Guide and in accordance with 7 CFR 4279.261.

D. Local Owner. For applications submitted under this Notice, when the majority of feedstock to be utilized by the Project on an annual basis is harvested from the land, the term "local owner" is defined as an individual who owns any portion of an eligible Biorefinery and whose primary residence is located within the geographic area that the Biorefinery's feedstock originates. In all other cases, "local owner" is defined as an individual who owns any portion of an eligible Biorefinery and whose primary residence is located within 100 miles of the Biorefinery.

## **V. Biobased Product Manufacturing**

This notice also includes the solicitation of applications for funds available under the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program to specifically fund Biobased product manufacturing. The 2014 Farm Bill added Biobased product

manufacturing to the Program and provided for up to 15 percent of the mandatory funds for fiscal years 2014 and 2015 to be used to support facilities producing Biobased products for end use. The 2014 Farm Bill provides the definition of "Biobased product manufacturing," which the Agency has incorporated into the subsequent interim rule (see 7 CFR 4279.202). This definition requires that the Biobased product manufacturing facility use Renewable chemicals and other biobased outputs of biorefineries as inputs and also requires that the Borrower use technologically new commercial scale processing and manufacturing equipment and required facilities. The facility must produce end-user products.

## **VI. Biobased Product Manufacturing Eligibility Information**

The eligibility requirements for prospective Lenders and Borrowers will not change from those listed above for the Program, generally. For Biobased product manufacturing Projects, the Eligible Project requirement is modified to reflect that eligible Projects will use technologically new commercial scale processing and manufacturing equipment and required facilities to convert Renewable chemicals and other biobased outputs of biorefineries into end-user products on a commercial scale.

Additionally, for purposes of Biobased product manufacturing Projects, only for purposes of technical review, technical reports need to address only the technologically new commercial scale processing and manufacturing equipment and required facilities.

## **VII. Biobased Product Manufacturing Application Processing Procedures**

The application processing procedures will remain the same for Biobased product manufacturing projects as for the projects described above.

For applications submitted under this Notice, "local owner" is defined as an individual who owns any portion of an eligible Biorefinery and whose primary residence is located within 100 miles of the Biorefinery.

## **VIII. Biobased Product Manufacturing Scoring**

In lieu of the criteria listed in 7 CFR 4279.266, Biobased product manufacturing Projects will be scored using the criteria listed below:

(a) Whether the Borrower has established a market for the manufactured Biobased product, as applicable. A maximum of 16 points can be awarded. Points to be awarded will be determined as follows:

(1) Degree of commitment of contracted sales agreements. A maximum of 6 points will be awarded.

(i) If the Borrower has signed contracts for purchase for greater than 50 percent of the dollar value of manufactured Biobased product, 6 points will be awarded.

(ii) If the Borrower has signed letters of intent to enter into contracted sales agreements, or comparable documentation, for the purchase for greater than 50 percent of the dollar value of the manufactured Biobased product, or combination of signed contracts or agreements and letters of intent or comparable documentation, 4 points will be awarded.

(iii) If the Borrower has signed letters of interest to enter into contracted sales agreements, or comparable documentation, for the purchase for greater than 50 percent of the dollar value of the manufactured Biobased product, or combination of signed contracts, letters of intent or comparable documentation, 2 points will be awarded.

(2) Duration of contracted sales agreements. A maximum of 6 points will be awarded.

(i) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of manufactured Biobased product for the period not less than

the loan term, 6 points will be awarded.

(ii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased product for the period not less than 5 years but less than the term of the loan, 4 points will be awarded.

(iii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased product for the period not less than 1 year but less than 5 years, 2 points will be awarded.

(3) Financial strength of the contracted sales agreement counterparty. A maximum of 4 points will be awarded.

(i) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased product with a counterparty with a corporate credit rating not less than AA, Aa2, or equivalent, 4 points will be awarded.

(ii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for

greater than or equal to 50 percent of the dollar value of the manufactured Biobased product with a counterparty with a corporate credit rating less than AA, Aa2, or equivalent, but not less than A-, or A3, or equivalent, 2 points will be awarded.

(iii) If the Borrower commits to enter into contracted sales agreements prior to loan closing for purchase for greater than or equal to 50 percent of the dollar value of the manufactured Biobased product with a counterparty with a corporate credit rating less than A-, or A3, or equivalent, but not less than BBB-, or Baa3, or equivalent, 1 point will be awarded.

(b) Whether the area in which the Borrower proposes to place the Project, defined as the area that will supply the Renewable chemicals and other biobased outputs of biorefineries to the proposed Project, has any other similar facilities. A maximum of 5 points can be awarded. Points to be awarded will be determined as follows:

(1) If the area that will supply the Renewable chemicals and other biobased outputs of biorefineries to the proposed Project does not have any other similar facilities, 5 points will be awarded.

(2) If there are other similar facilities located within the area that will supply the renewable chemicals

and other biobased outputs of biorefineries to the proposed Project, 0 points will be awarded.

(c) Whether the Borrower is proposing to use Renewable chemicals and other biobased outputs of biorefineries not previously used in the Biobased product manufacturing. A maximum of 10 points can be awarded. Points to be awarded will be determined as follows:

(1) If the Borrower proposes to use Renewable chemicals and other biobased outputs of biorefineries previously used in the manufacture of a Biobased product in a commercial facility, 0 points will be awarded.

(2) If the Borrower proposes to use Renewable chemicals and other biobased outputs of biorefineries not previously used in the manufacture of a Biobased product in a commercial facility, 10 points will be awarded.

(d) Whether the Borrower is proposing to work with producer associations or cooperatives. A maximum of 5 points can be awarded. Points to be awarded will be determined as follows:

(1) If at least 50 percent of the dollar value of Renewable chemicals and other biobased outputs of biorefineries to be used by the proposed Project will be supplied by producer associations and cooperatives or biorefineries supplied by producer associations and



cooperatives, 5 points will be awarded.

(2) If at least 30 percent of the dollar value of Renewable chemicals and other biobased outputs of biorefineries to be used by the proposed Project will be supplied by producer associations and cooperatives or biorefineries supplied by producer associations and cooperatives, 3 points will be awarded.

(e) The level of financial participation by the Borrower, including support from non-Federal Government sources and private sources. A maximum of 20 points can be awarded. Points to be awarded will be determined as follows:

(1) If the sum of the loan amount requested and other direct Federal funding is less than or equal to 50 percent of total Eligible project costs, 20 points will be awarded.

(2) If the sum of the loan amount requested and other direct Federal funding is greater than 50 percent but less than or equal to 55 percent of total Eligible project costs, 16 points will be awarded.

(3) If the sum of the loan amount requested and other direct Federal funding is greater than 55 percent but less than or equal to 60 percent of total Eligible project costs, 12 points will be awarded.

(4) If the sum of the loan amount and other direct

Federal funding is greater than 60 percent but less than or equal to 65 percent of total Eligible project costs, 8 points will be awarded.

(5) If the sum of the loan amount and other direct Federal funding is greater than 65 percent but less than or equal to 70 percent of total Eligible project costs, 4 points will be awarded.

(f) Whether the Borrower has established that the adoption of the manufacturing process proposed in the application will have a positive effect on three impact areas: resource conservation (e.g., water, soil, forest), public health (e.g., potable water, air quality), and the environment (e.g., compliance with an applicable renewable fuel standard, greenhouse gases, emissions, particulate matter). A maximum of 10 points can be awarded. Based on what the Borrower has provided in either the application or the Feasibility study, points to be awarded will be determined as follows:

(1) If process adoption will have a positive impact on any one of the three impact areas (resource conservation, public health, or the environment), 3 points will be awarded.

(2) If process adoption will have a positive impact on two of the three impact areas, 6 points will be awarded.

(3) If process adoption will have a positive impact on all three impact areas, 10 points will be awarded.

(g) Whether the Borrower can establish that, if adopted, the technology proposed in the application will not have any economically significant negative impacts on existing manufacturing plants or other facilities that use Renewable chemicals and other biobased outputs of biorefineries. A maximum of 5 points can be awarded. Points to be awarded will be determined as follows:

(1) If the Borrower has failed to establish, through an independent third-party Feasibility study, that the production technology proposed in the application, if adopted, will not have any economically significant negative impacts on existing manufacturing plants or other facilities that use similar Renewable chemicals and other biobased outputs of biorefineries, 0 points will be awarded.

(2) If the Borrower has established, through an independent third-party Feasibility study, that the production technology proposed in the application, if adopted, will not have any economically significant negative impacts on existing manufacturing plants or other facilities that use Renewable chemicals and other biobased outputs of biorefineries, 5 points will be awarded.

(h) The potential for rural economic development. A maximum of 10 points can be awarded. Points to be awarded will be determined as follows:

(1) If the Project is located in a Rural Area, 5 points will be awarded.

(2) If the Project creates jobs through direct employment with an average wage that exceeds the county median household wages where the Project will be located, 5 points will be awarded.

(i) The level of local ownership of the facility proposed in the application. For the purposes of this Notice, a Local owner is defined as "An individual who owns any portion of an eligible Advanced biofuel Biorefinery and whose primary residence is located within 100 miles of the Biorefinery." A maximum of 5 points can be awarded. Points to be awarded will be determined as follows:

(1) If Local owners have an ownership interest in the facility of more than 20 percent but less than or equal to 50 percent, 3 points will be awarded.

(2) If Local owners have an ownership interest in the facility of more than 50 percent, 5 points will be awarded.

(j) Whether the Project can be replicated. A maximum of 10 points can be awarded. Points to be awarded will be determined as follows:

(1) If the Project can be commercially replicated regionally (e.g., Northeast, Southwest, etc.), 5 points will be awarded.

(2) If the Project can be commercially replicated nationally, 10 points will be awarded.

(k) If the Project uses a particular technology, system, or process that is not currently operating at commercial scale as of October 1 of the fiscal year for which the funding is available; October 1, 2016, 5 points will be awarded.

(1) The Administrator can award up to a maximum of 10 bonus points:

(1) To ensure, to the extent practical, there is diversity in the types of Projects approved for loan guarantees to ensure a wide a range as possible technologies, products, and approaches are assisted in the program portfolio; and

(2) To applications that promote partnerships and other activities that assist in the development of new and emerging technologies for the development of Renewable chemicals and other biobased outputs of biorefineries, so as to, as applicable, promote resource conservation, public health, and the environment; diversify markets for agricultural and forestry products and agriculture waste

material; and create jobs and enhance the economic development of the rural economy. No additional information regarding partnerships is detailed in this Notice.

## **IX. General Program Information**

A. Loan Origination. Lenders seeking a loan guarantee under this Notice must comply with all of the provisions found in 7 CFR 4279, subpart C.

B. Loan Processing. The Agency will process loans guaranteed under this Notice in accordance with the provisions specified in 7 CFR 4279.260 through 4279.290.

C. Evaluation of Applications and Awards. Awards under this Notice will be made on a competitive basis; submission of an application neither reserves funding nor ensures funding. The Agency will evaluate each application received in the USDA Rural Business-Cooperative Service, Energy Division, select Phase 1 applications in accordance with 7 CFR 4279.267 to invite submittal of Phase 2 applications and will make awards using the provisions specified in 7 CFR 4279.278.

D. Guaranteed Loan Servicing. The Agency will service loans guaranteed under this Notice in accordance with the provisions specified in 7 CFR 4287.301 through

4287.399.

E. System for Award Management (SAM) and Dun and Bradstreet Data Universal Numbering System (DUNS) Registration. Unless exempt under 2 CFR 25.110, the Applicant must be registered in the SAM prior to submitting an application and maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration by the Agency. Applicants must provide a DUNS number for each application submitted to the Agency.

**X. Administration Information**

A. Notifications. The Agency will notify, in writing, Lenders whose Phase 1 applications have scored highest and will invite them to submit Phase 2 applications. If the Agency determines it is unable to guarantee any particular loan, the Lender will be informed in writing. Such notification will include the reason(s) for denial of the guarantee.

B. Administrative and National Policy Requirements.

1. Review or Appeal Rights. A person may seek a review of an Agency decision or appeal to the National Appeals Division in accordance with 7 CFR 4279.204.

2. Exception Authority. The provisions specified in

7 CFR 4279.203 and 7 CFR 4287.303 apply to this Notice.

C. Environmental Review. The Agency will review all applicant proposals that may qualify for assistance under this section in accordance with 7 CFR Part 1970, Environmental Policies and Procedures. The environmental review for projects that score high enough will be submitted during the Phase 2 application process and must be conducted in accordance with 7 CFR Part 1970, Environmental Policies and Procedures.

#### **XI. Agency Contacts**

For general questions about this Notice, please contact Todd Hubbell, Rural Business-Cooperative Service, Energy Division, Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program, U.S. Department of Agriculture, 1400 Independence Avenue, SW, Mail Stop 3225, Washington DC 20250-3225. Telephone: 202-690-2516. Email: Todd.Hubbell@wdc.usda.gov.

#### **NONDISCRIMINATION STATEMENT:**

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

Individuals who are deaf, hard of hearing or have speech disabilities and you wish to file either an EEO or program complaint please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

